

A STUDY ON KNOWLEDGE AND OPINION OF THE FARMERS REGARDING KISAN CREDIT CARD SCHEME IN DHARWAD DISTRICT OF KARNATAKA

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ABSTRACT

Credit can be called as the lifeline of farming business. Its catalytic role strengthens the farming business and augments the productivity of scarce resources. In countries like India it plays a key role in sustainable development of the economy. Where, which is depending on agriculture. In India many of the credit policies and schemes implemented by the government and higher financial institutions like NABARD and Reserve Bank of India to ensure that the timely availability of credit facility to the farmers. Kisan Credit Card (KCC) scheme is also one among those. A study to measure the knowledge level and to know the opinion of farmers regarding KCC was conducted during the year 2015-16 in Dharwad district of Karnataka. A study revealed the following results those were among the beneficiaries of the scheme, around 50per cent respondents belonged to the middle age group. The 41.66per cent of them possessed small land holdings and 33.33per cent of respondents were semi-medium landholders, and of 60.83per cent of the total respondents had got the medium level of extension contact. A study found out that 60per cent of the respondents had moderate knowledge level. A study revealed that overall 85.00per cent respondents shown favourable opinion towards the scheme and among them, 60per cent of the participants said that scheme is highly beneficial. The only 29.16per cent participants said that it helped them to overcome the distress sale by providing loan on the warehouse. Among the total sample size, 90.83per cent of the revealed that they didn't find the usefulness of the insurance and 21.66per cent respondents faced problems in the KCC scheme because of the shorter repayment period.

KEYWORDS: Kisan Credit Card, Knowledge, Opinion & Insurance

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INTRODUCTION

Properly lent credit can become a lever for development so the network of credit should be expanded in favor of the borrowing community and institutional agencies (S. Subba Reddy: 2010:397). Farm finance can contribute to a reduction in regional economic imbalances and is equally good at narrow down the inter-farm asset and wealth variation (FAO, 2014. Shanmugavadivel, 2015). But in the developing countries like India, the scope for intensive agriculture is limited. Lack of agriculture credit facility is one of the reasons listed by the World Bank. Indian farmers are facing the problem of agriculture finance since the colonial era. To overcome this problem the government (govt.) of India is making the constant efforts. It came up with the many credit policies reforms and implemented many financial schemes. The main goal of these credit policies is to reduce the role of non-institutional sources, mainly the money-lenders, in the flow of agricultural credit (Kumar *et al*, 2007).

The KCC is one among those schemes which have been implemented to help and meet the short-term credit needs of the farmers (Chanda, 2012). The scheme was implemented in the year 1998 by NABARD. It was mainly to provide collateral and documentation free credit supply to the peasants. Nahatkar *et al.* (2002) argued that because of scheme's simplified the procedure for availing loan from banks to a large extent has made it possible that availability of credit in time. Vedini and Durga, (2007) stated that most of the farmers are aware of the KCC scheme's benefits and argued that it has nothing to with the level of their literacy. But many empirical studies reported that indebtedness is also a factor which was responsible for increasing farmers' suicide rate in the recent year particularly in the states like Karnataka, Andhra Pradesh, and Maharashtra. Panagariya, (2002) mentioned in his book that throughout the India farmers are committing suicide due to indebtedness. Debt repaying capacity of the farmers is decreased over the years. Further, repaying behavior as well as credit utilization pattern is also changing in recent days. Therefore, incidence and also the extent of indebtedness among the farm families were increasing. Srijit Mishra (2006), reported in Maharashtra, the suicide death rate for farmers in the state has increased from 15 in 1995 to 57 in 2004. The raindependent cotton growing farmers of Vidarbha are faced with declining profitability. to uplift the farmers' from their situations many institutional schemes are there but they are not utilizing them properly. It might be due to farmers' lack of knowledge and awareness they weren't availing the benefits of the KCC schemes.

According to Bloom (1979) defined knowledge as "those behaviors and test situations which emphasized the remembering either by recognition or recall of ideas, materials or phenomenon". Operationally knowledge was used in this study as the thorough information what farmer was having regarding the Kisan Credit Card. Anshika (2017), she highlighted that in India financial literacy rate was very low that was only 28 percent compared to other BRIC member countries. Lack of financial literacy leads to the wrong financial decisions, wherein decision-making process knowledge plays a crucial role and those have a high negative impact on the financial system as a whole. So, the researcher felt it was very much essential to conduct the study on the knowledge level of the farmer. The present study "A study on knowledge and opinion of the farmers regarding Kisan credit card scheme in Dharwad district of Karnataka" It answers the questions like whether they have knowledge about the scheme and the benefits offered for it. If yes then what extent? If they are not then which were all the demographic, socio-economic and communication factors affecting on the knowledge level? which are all the appropriate measure govt. should take to make them aware and Study gave the equal importance to the opinion of the farmer regarding KCC to know the beneficiaries voice in order to make the required changes by the policymakers to make the scheme more viable. To reveal the results study was conducted to answer the following objectives. (I) To measure the knowledge level of farmers about the KCC scheme (II) To know the opinion of farmers towards the KCC scheme. The study got the greater importance in exploring the knowledge and the opinion of farmers regarding KCC scheme

METHODOLOGY

The study was conducted in Dharwad district of Karnataka. The target population was restricted to Kisan Credit Cardholders' selected using Multistage; simple random sampling without replacement with the exclusion principle was used. There were total of five blocks in the district. From each block, two villages had been chosen randomly. Thus, the total numbers of selected villages were ten. At last, from each selected village, 12 numbers of the farmers who had Kisan credit card been selected through random sampling. Thus, 120 respondents were finally selected for the study. To test the knowledge 18 multiple choice questions were carefully prepared by the researcher with the consultation of resource

persons and research review. Whatever required for the study. Evaluation is done as follows, for the right answer it was scored as '1' for the wrong answer it was as '0'. They were ranked based on the percentage-score of each state statement. To know the opinion related to the scheme study adopted the 12 statements and 3 point continuum was used for scoring. The data was collected using the structured interview schedule. In this study EXCEL Software was used to analyze the data and, various statistical tools like Descriptive Statistics, Correlation, and multiple regression were used to draw the conclusions.

RESULTS AND DISCUSSIONS

In the study total of 18 multiple choice question were used to assess the Knowledge level of the farmers regarding different aspects of the KCC scheme. A study revealed the interesting results were interpreted in the Table 1 was that only 15.83 per cent per cent of the respondents were constituted the category of high knowledge level whereas a nearly large proportion of about 60 percent of the respondents possessed the medium knowledge, whereas 24.00 per cent of the respondents were had low knowledge. The Table.2 depicts the knowledge level of the respondents about 81.66per cent respondents knew that KCC was the popular institutional scheme i. e. KCC. The Study found 80.83per cent respondents they knew about the security needed to provide for the loan under KCC as well about the possible benefits could get under KCC and the 61per cent of beneficiaries knew about the different banks' lending loan under KCC. Account holders also knew about the main reason for implementing the scheme constitute 59.17per cent.

Table 1: Distribution of the Respondents based of their Overall Knowledge about KCC

Knowledge Level	f	%
Low (<6.13)	29	24.16
Medium (6.13 to 9.51)	72	60
High (>9.51)	19	15.83
Mean= 7.82, S. D=1.69		

The main aim of the KCC only knew to the 44.16 percent account holders. The 33.33 percent people among the selected sample knew about the different types of beneficiaries under the scheme. The 28.33 percent of the farmers knew to the loan repayment period followed by 26.67 percent knew about the PAIS. Among the collected sample were aware about limitations of KCC, lending limit, a system of lending under KCC followed by channels provided for borrowing of the loan were 20.83 percent, 19.16 percent and 18.33 percent respectively. Only 14.16 percent of the farmers aware of the special feature i. e. magnetic card provided under KCC followed by their renewable period hardly known to the 17.5 percent account holders. They were not know about when KCC initiated and have least knowledge about who was the initiator i. e. 83 percent. The reported results presented in the Table 3 explained that overall opinion towards the KCC scheme. The 38.00 percent of the total respondents had a favorable opinion towards the scheme and of 12.50 percent shown highly favorable followed by 2.50 percent gave the less favorable opinion.

Table 2: Knowledge Level of the Farmers about Different Aspects of KCC Scheme

Sl. No.	Statements	f	Percentage (%)	Rank
1	Institutional credit scheme for short term agriculture credit needs	120	100	I
2	Year of initiation of KCC	0	0	XVII
3	Initiator of KCC	1	0.833	XVI
4	Goal of KCC	65	54.17	V

Table 2: Contd.,				
5	Different banks' lending loans under KCC	89	74.17	III
6	Reason for implementation of KCC	88	73.33	IV
7	beneficiaries of the scheme	49	40.86	VI
8	insurance amount given to the farmer family under PAIS	39	32.5	VIII
9	Loan repayment period	43	35.83	VII
10	age limit in selection of the farmers	13	10.83	XV
11	Loan lending limit	26	21.66	XIII
12	the security you have to provide for the bank to barrow the loan	119	99.17	II
13	system of lending under KCC	29	23.33	X
14	Special feature of the scheme	19	15.83	XIV
15	Renewable time for card provided to the farmer	26	21.67	XII
16	benefits can avail out of KCC	119	99.17	II
17	Channels for the barrowing of loan	27	22.5	XI
18	Limitation of the KCC	31	25.83	IX

Knowledge Level of the Respondents with Respect to their Demographic, Socio-Economic and Communication Profile

Association between knowledge of respondents with independent variable like age, education, family type, family size, land holding, extension contact and participation and mass media exposure are analyzed statistically and represented in Table 3. From the table it is evident that age, family type, family size and extension participation were significantly and negatively correlated with knowledge of respondents which means knowledge was more in younger participants, nuclear family, less family size and less Extension participation. Younger respondents with smaller size nuclear family had more knowledge may be due to more awareness, higher-education, easy understanding and more contact, with extension agents. Old aged farmers were having less knowledge due to lack of education. Independent variables like education, land holding, extension contact and mass media exposure are significantly and positively correlated with knowledge of farmers. High knowledge level had seen among farmers who had high education, high land-holding, good extension contact, and mass media exposure.

Table 3: Correlation between Independent Variables and Knowledge Level of the Respondents

Independent Variables	r' Value
Age	-0.435**
Education	0.475**
Family type	-0.224*
Family size	-0.216*
Land holding	0.156
Extension contact	0.393**
Extension participation	-0.103
Mass media exposure	0.339**

* Significant at 0.05 level,

** Significant at 0.01 level,

NS – Non-significant

Generally, educated farmers were well aware of the scheme and various provisions under it. High land holding enabled them to go for maximum utilization of the scheme so their knowledge level was high. Again high extension contact and mass media exposure might have helped them get good exposure to the scheme. When we applied the

regression analysis to those independent variables which were found to be significant to know the functional relationship with the Knowledge as the dependent variable, only three of them showed their functional relationship with knowledge. Only three of them found significant. It is shown in table 4.

Table 4: Regression Analysis

Independent Variables	Unstandardized Coefficient		t value	Significance
	B	Standard Error		
Constant	5.249	2.442	2.149	0.034
Age	-0.32	0.020	0.138	0.102
Family type	-0.338	0.410	-0.825	0.411
Family size	0.12	0.086	0.138	0.890
Education	0.314	0.153	2.049	0.043*
Land holding	0.462	0.128	3.621	0.000**
Extension contact	0.222	0.127	1.745	0.084*
Extension participation	0.029	0.081	0.355	0.723
Mass media exposurer	-0.004	0.063	-0.064	0.943

* Significant at 0.05 level, ** Significant at 0.01 level

The stepwise regression analysis results were presented in Table5. It was done to know the extent of the functional relationship. Here the insignificant variables were dropped out from the analysis and presented the significant variable starting from the least significant variable to highly significant one. it showed the extent of two variable's contribution by eliminating the effect of the third variable in forming the functional relationship. It is shown in table. From various independent variables three were retained in regression model viz. education, land holding, extension contact, having significant t value and in the order of their importance in explaining variation in knowledge. These variables together- influenced only 35% i. e. $R^2=0.35$ on the knowledge of the farmers.

Table 5: Stepwise Regression Analysis

Independent Variables	Unstandardized Coefficient		t value	Significance
	B	Standard Error		
Constant	3.193	1.014	3.148	0.002
Education	0.489	0.1	4.904	0.000**
Land holding	0.426	0.121	3.522	0.001**
Extension contact	0.252	0.122	2.066	0.041*
$R^2=0.35$ $F=7.535$ **				

* Significant at 0.05 level, ** Significant at 0.01 level

Table 6: Contribution of different Variables

Independent Variables	Contribution	
	Shared	Unique
Constant		
Education	41.4%	37.3%
Land holding	18.8%	26.8%
Extension contact	31.1%	15.7%

Distribution of the Respondents based on their overall Opinion of about the KCC Scheme

Twelve activity statements had been formulated in order to get the opinion of the respondents about actual operationalization of the KCC scheme. The calculations are presented in Table 7. The 10.85per cent of the people had

shown favorable opinion towards the scheme. 12.5 percent expressed highly favorable opinion and only 2.5per cent beneficiaries expressed less favorable opinion towards the operationalization of the scheme.

Table 7: Distribution of the Respondents according to their Overall Opinion about the KCC

Opinion	F	%
Less favourable (<22.21)	3	2.5%
Favourable (22.21 to 30.1833)	102	85%
Highly favourable (>30.1833)	15	12.5%
Mean= 27.5, S. D=2.48		

Opinion of the Respondents Regarding different Aspects of the KCC Scheme

When we took the microscopic look at Table 8, the majority of the respondents had shown the positive opinion on the operationalization aspects of the KCC for the different activity statements. A large proportion of the respondents of 77.5per cent expressed that Production and productivity has increased followed by 74.16 per cent and 72.5 percent of the respondents opinioned that under KCC it helped them to speed up the production and productivity of the work (Singh and Sekhon, 2005; Diwas Raj Bista *et al*, 2012) Agriculture Loan is easily available under this scheme. The 69.16 per cent of them were of the opinion that it works towards improving productivity in farmers and 64.17 per cent of respondents felt that Objectives covered under KCCs are relevant. The 68.33percent of respondents expressed that Time of providing loan is appropriate. The 52.5 per cent of the respondents expressed their opinion that time taken for sectioning the loan is less followed by 47.5% respondents expressed that Standard of living has increased.

Table 8: Opinion of the Respondents about Different Operational Aspects of KCC

Statements	Agreement	Undecided	Dis Agreement	Index	Rank
KCCs helps in improving the productivity in farmers	83 (69.16%)	17 (14.5%)	21 (17.5%)	84.44%	VI
Production and productivity has increased after implementation of KCC	90 (77.5%)	17 (14.5%)	13 (10.83%)	87.5%	II
The production and productivity work has speeded up due to the KCC	89 (74.5%)	12 (10%)	19 (15.83%)	86.11%	IV
Agriculture Loan is easily available due to KCC	87 (72.5%)	17 (14.5%)	16 (13.33%)	86.38%	III
Insurance provided under the scheme is sufficient.	16 (13.33%)	73 (60.83%)	31 (25.83%)	48%	XII
Time of providing loan is appropriate	82 (68.33%)	18 (15%)	20 (16.66%)	83.88%	VII
Objectives covered under KCC are relevant	77 (64.13%)	35 (29.16%)	03 (6.66%)	85.83%	V
Information and guidance provided are appropriate	31 (25.83%)	69 (57.5%)	20 (16.67%)	89.77%	I
Time taken for sectioning the loan is less.	68 (56.66%)	25 (20.83%)	27 (22.5%)	78.88%	VIII
Card provided under the scheme is useful.	25 (20.83%)	21 (17.5%)	74 (61.67%)	53.05%	XI
Implementation of the KCC scheme is proper	61 (13.33%)	95 (79.16%)	9 (7.5%)	68.61%	X
Living standard has been increased due to the implementation of KCC	57 (47.57%)	34 (28.33%)	29 (24.16%)	74.44%	IX

More than half of the respondent of 68.33 percent of expressed that Time of providing loan is appropriate. According to 25.83 percent of the beneficiaries, Information and guidance provided were appropriate. This indicated the coordination between farmers and financing agency. Only 20.83 percent of the farmers stated that Card provided under the scheme is useful followed by 15.83 percent of the respondents agreed insurance provided under the scheme is sufficient and 13.33 percent of the farmers agreed for the Implementation of KCC was proper.

CONCLUSIONS AND POLICY IMPLICATIONS

Based on the collected primary research data and personal field experience of the researcher at the time of data collection study concluded that,

- A study revealed that most of the respondents possess low to medium level of knowledge about KCC scheme. In any scheme needs to be successful the beneficiaries should have a thorough knowledge of the entire scheme. The details like the reason for the initiation of the scheme, founder of the scheme, its aims and motives, a participation of the different agencies, and all other aspects should be made known to the end users. So, the responsibility of spreading the knowledge and make them aware lies with the implementers. The focus is required on the same.
- In the study the majority of respondents expressed favorable opinion towards the KCC scheme. Hence, KCC scheme implementation of needs to be continued.
- The characteristics of respondents like education, landholding extension contact, were significantly correlated with the knowledge level of the respondents towards the KCC scheme. So, there is a need to more concentrate on these characteristics for motivating the farmers to improve their knowledge level for effective implementation of the KCC scheme.
- Farmers perceived that, due to timely available credit facilities under the KCC scheme, has helped them significantly in improving the production productivity level of their work. It is therefore suggested that integrated extension efforts should also to be made to improve their knowledge level in collaboration with the implementing institution of the scheme to aware the farmers about the usefulness of KCC.

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